INTERNATIONAL PROGRAMS

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Audit Report 13-19
June 28, 2013

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Abbreviations

AA  Academic Affairs
ALI  American Language Institute
AVP  Associate Vice President
BOT  Board of Trustees
CCPE  College of Continuing and Professional Education
CFR  Code of Federal Regulations
CMS  Common Management System
CO  Chancellor’s Office
CSU  California State University
EO  Executive Order
ICSUAM  Integrated California State University Administrative Manual
OUA  Office of the University Auditor
EXECUTIVE SUMMARY

As a result of a systemwide risk assessment conducted by the Office of the University Auditor (OUA) during the last quarter of 2011, the Board of Trustees (BOT), at its January 2012 meeting, directed that International Programs be reviewed. Based on the results of the first cycle of these reviews and the systemwide risk assessment conducted by the OUA in the last quarter of 2012, the BOT directed at its January 2013 meeting that the OUA continue these reviews. The OUA had previously reviewed portions of international programs in the Off-Campus Activities audit in 2009.

We visited the California State University, Long Beach campus from February 4, 2013, through March 8, 2013, and audited the procedures in effect at that time.

In our opinion, except for the effect of the weaknesses described below, the fiscal, operational, and administrative controls for international programs as of March 8, 2013, taken as a whole, were sufficient to meet the objectives stated in the “Purpose” section of this report. Areas of concern include: general environment, international students, and study abroad and exchange.

As a result of changing conditions and the degree of compliance with procedures, the effectiveness of controls changes over time. Specific limitations that may hinder the effectiveness of an otherwise adequate system of controls include, but are not limited to, resource constraints, faulty judgments, unintentional errors, circumvention by collusion, and management overrides. Establishing controls that would prevent all these limitations would not be cost-effective; moreover, an audit may not always detect these limitations.

The following summary provides management with an overview of conditions requiring attention. Areas of review not mentioned in this section were found to be satisfactory. Numbers in brackets [ ] refer to page numbers in the report.

GENERAL ENVIRONMENT [7]

International students attending the American Language Institute were not included in the campus emergency notification system.

INTERNATIONAL STUDENTS [7]

Campus documentation of international student visa requirements needed improvement. Specifically, the campus did not always maintain evidence that students attended a pre-enrollment orientation and did not always ensure that students had purchased health insurance in a timely manner. In addition, administration of relationships with international student recruiters needed improvement. For example, recruiter agreements were not signed by the campus president, and two of the agreements had expired, but the campus continued to pay the recruiters for students who were referred and accepted.

STUDY-ABROAD AND EXCHANGE PROGRAMS [10]

Administration of international exchange programs needed improvement. For example, tuition terms were not always clearly indicated, and exchange value-received reciprocity was not always in balance. Also, short-term study-abroad programs were not always properly approved. In addition, the campus did
not always maintain evidence showing that students participating in study-abroad programs met CSU requirements, including proof of proper insurance and attendance at orientation sessions. Further, the campus had not developed procedures for the review and approval of third-party study-abroad program providers, nor had it developed a list of approved third-party program providers that clearly stated the criteria used for approval. Additionally, agreements with third-party providers of study-abroad were not approved by the president or his/her designee, did not always include an appropriate sunset clause, and included provisions that were prohibited by CSU policy.
INTRODUCTION

BACKGROUND

The Academic Council on International Programs, created by the Board of Trustees on July 9, 1969, as part of the Policy for the California State Colleges International Programs, promotes campus participation in international program policy development and ensures regular communication between campuses and the Office of International Programs at the chancellor’s office (CO). The council is composed of one faculty representative appointed by each of the 23 campuses in a procedure established by the local academic senate and four student members who each serve a one-year term.

In December 2012, the CO issued three new executive orders (EO) that updated and augmented existing policies for the creation and proper administration of campus-based international programs.

EO 1080, International Agreements, dated December 6, 2012, establishes minimum requirements for campuses entering into agreements as a part of their international activity in state and self-support endeavors. Under the EO, only the campus president is authorized to sign an agreement in which the campus commits resources toward activities for international students, universities, or other people or entities doing business outside the United States. The EO also requires that all such agreements be reviewed and approved by the CO before the president signs them, and that international activities be managed centrally on the campus.

EO 1081, Study Abroad and Exchange Programs, dated December 6, 2012, supersedes several outdated EOs and establishes requirements for campuses to establish study-abroad and/or exchange programs as part of their international activities. EO 1081 delegates to the campus presidents the responsibility for the development, implementation, and oversight of international programs. The policy also describes the circumstances under which a campus president can waive tuition for an incoming foreign student and outlines requirements for use of non-CSU program providers for study abroad. The policy also reiterates that all exchange and/or study-abroad agreements are subject to the review and approval requirements of EO 1080.

EO 1082, International Students, dated December 6, 2012, establishes requirements for campuses enrolling nonresident international students as part of their international activities. The policy addresses confirmation of proper visa status and the campuses’ responsibility to provide full-time course study in accordance with visa requirements; the establishment of adequate student services for international students and procedures to ensure the students obtain proper health insurance coverage; and acceptable evidence of English language competency. The policy also addresses international student recruitment, including the use of agents or other outside parties.

Access to Excellence, the strategic plan adopted by the CSU system in 2008, pledges to increase student access and success, meet state needs for economic and civic development, and sustain institutional excellence. As part of the plan, the CSU commits to enhancing opportunities for global awareness by building strong and effective international programs and supporting faculty work that internationalizes the curricula.

The accompanying Access to Excellence Accountability Plan includes broad commitments to support, encourage, and promote study-abroad programs and partnerships with international universities. It also
sets forth plans to provide a clear policy framework governing international programs and the creation of international partnerships, as well as appropriate indicators and metrics to gauge the progress of the system and the individual campuses toward the globalization goal.

Other CSU policies address the risks involved with student and other participant international travel. EO 1041, *California State University Student Travel Policy*, dated May 29, 2009; EO 1069, *Risk Management and Public Safety*, dated March 1, 2012; and EO 1051, *CSU Use of Approved Waiver of Liability*, dated September 1, 2010, include, among other things, guidelines for the selection of air or ground carriers for student travel, requirements for student travel-related insurance, and provisions for notifying participants of risks and obtaining waivers of liability.

Technical letters related to international programs include coded memorandum Academic Affairs (AA) 2007-25, *Third Party Program Provider Study Abroad and Administrative Safeguards*, dated September 24, 2007, which clarifies prohibited and acceptable activities related to the use of study-abroad program providers; and AA-2011-01, *Campus Compliance with Study Abroad Programs*, dated January 11, 2011, which clarifies the campus responsibility to define the terms in which value equivalence is achieved in exchange programs with foreign universities. Additionally, institutions that issue forms allowing foreign students (both matriculating and non-matriculating) in continuing education or extended education to obtain the appropriate visas are subject to Department of Homeland Security, Immigration and Customs Enforcement, or Department of State regulations.

In 2010, the Office of the University Auditor conducted an audit of *Off-Campus Activities* at nine campuses and issued a systemwide report. The report noted issues related to participant documentation, execution and maintenance of program agreements, exchange reciprocity, and student travel. Several of the recommendations from the resulting systemwide report were incorporated into AA 2011-01 and EO 1051, *CSU Use of Approved Waiver of Liability*, dated September 1, 2010.
PURPOSE

Our overall audit objective was to ascertain the effectiveness of existing policies and procedures related to international programs and to determine the adequacy of controls that ensure compliance with relevant governmental regulations, Trustee policy, Office of the Chancellor directives, and campus procedures.

Within the audit objective, specific goals included determining whether:

- Accountability for international programs has been clearly defined and documented, including delineation of roles and responsibilities, formulation of appropriate policies and procedures, and measurement of outcomes.
- The campus has established an adequate system for mitigating the risks in campus-based international programs.
- Study-abroad and exchange programs offered to students are selected, monitored, and administered according to CSU guidelines.
- Agreements with third-party providers of study-abroad and exchange programs and international student recruiters are investigated, reviewed, and approved according to CSU standards.
- Non-matriculating programs offered to international students meet regulatory and CSU requirements for scope, suitability, admissions, and administration.
- The campus is meeting the certification, programmatic, and record-keeping requirements of the Student and Exchange Visitor Program, Department of Homeland Security, and Department of State as a qualified institution for international students.
- Fiscal administration of international programs is in accordance with regulatory and CSU guidelines.
- Systems and applications administered by departments in charge of international programs are adequately controlled and secured, and access rights are granted on a need-to-know basis.
SCOPE AND METHODOLOGY

The proposed scope of the audit as presented in Action Item, Agenda Item 2 of the January 22 and 23, 2013, meeting of the Committee on Audit stated that *International Programs* includes a review of CSU students participating in instructional programs abroad and international students and visitors attending the CSU. Proposed audit scope would include, but was not limited to, review of program administration and approvals, fiscal administration, and controls; risk management processes; utilization of third-party providers; compliance with U.S. Department of State and other regulatory international travel requirements; and processes used to recruit international students.

Our study and evaluation were conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors, and included the audit tests we considered necessary in determining that fiscal, operational, and administrative controls are in place and operative. This review emphasized, but was not limited to, compliance with state and federal laws, Board of Trustee policies, and Office of the Chancellor policies, letters, and directives. The audit focused on procedures in effect from January 1, 2010, through March 8, 2013.

We focused primarily on the internal administrative, compliance, and operational controls over international programs. Specifically, we reviewed and tested:

- The development and maintenance of policies and procedures adequate to ensure compliance with CSU and regulatory requirements.
- Due diligence processes for study-abroad or exchange programs offered to students, both those established by the campus staff and those offered via third-party vendors.
- Methods by which the campus reviews student records to ensure that all required documentation, including emergency contacts and medical insurance, are obtained by and retained on the campus.
- Campus processes ensuring that outgoing study-abroad students and incoming foreign students participating in international programs are provided with crucial and required information at appropriate intervals.
- Procedures to ensure that the campus shows evidence of proper processing of foreign student visa form requirements.
- Budgets and financial records of self-support programs.
OBSERVATIONS, RECOMMENDATIONS, AND CAMPUS RESPONSES

GENERAL ENVIRONMENT

International students attending the American Language Institute (ALI) were not included in the campus emergency notification system.

We noted that the emergency notification system, which communicates timely information and instructions during emergencies, initiated from the Common Management System (CMS), and because ALI is not included within CMS, students in these programs would not be included in the notifications.

The Higher Education Opportunity Act, §1092(f)(1)(J)(i) states that campuses should immediately notify the campus community upon the confirmation of a significant emergency or dangerous situation involving an immediate threat to the health or safety of students or staff occurring on the campus.

The associate vice president (AVP) for international education/dean of CCPE stated that ALI students were not included in the emergency notification system because the program is not included within CMS.

Failure to include students in the emergency notification system increases the risk to the health and safety of campus participants and increases potential legal liabilities.

Recommendation 1

We recommend that the campus ensure that students enrolled in the ALI are accounted for in an emergency notification system.

Campus Response

We concur. The campus will work with University Police and Enrollment Services to devise an automated process to ensure ALI students are included in the emergency notification system.

Estimated date of completion is December 31, 2013.

INTERNATIONAL STUDENTS

INTERNATIONAL STUDENT VISA REQUIREMENTS

Campus documentation of international student visa requirements needed improvement.

We reviewed 22 student documentation files, for seven exchange students holding J-visas and 15 non-matriculated international students, and we found that:
None of the seven exchange students’ files included evidence that the students had attended the mandatory pre-enrollment orientation.

Two students had not purchased insurance until after the semester began. In both cases, the insurance became effective more than 30 days after the start of the semester.

Code of Federal Regulations (CFR) Title 22, Part 62, *Exchange Visitor Program*, §10(c) states that sponsors shall offer appropriate orientation for all exchange visitors.

22 CFR, Part 62, *Exchange Visitor Program*, §10(h) states that sponsors shall retain all records related to their exchange visitor program and exchange visitors for a minimum of three years.

Executive Order (EO) 622, *Health Insurance Coverage for F-1 and J-1 Visa Students*, dated August 1, 1995, states that as a condition of issuing the documents necessary for a visa, campuses shall obtain from all applicants their agreement to obtain and maintain insurance coverage for health, medical evacuation, and repatriation during their period of enrollment in the California State University (CSU). It further states that campuses shall, at the time of registration, require certificates of insurance or other evidence of coverage from the F-1 and J-1 visa recipient as a condition of registration.

The director of education abroad stated her belief that collection of certain documents from students at orientation was sufficient evidence of student attendance at orientation, and therefore separate attendance sheets were not required. The director of international student services stated that although ALI students were told of the requirement to obtain insurance, sometimes students did not immediately comply, even with repeated reminders.

Lack of evidence that exchange visitors attended a pre-enrollment orientation and failure to ensure that international students obtain required health insurance increases the risk to the health and safety of campus participants and increases potential legal liabilities.

**Recommendation 2**

We recommend that the campus:

a. Maintain evidence showing that international students have attended a pre-enrollment orientation.

b. Ensure that students obtain required insurance prior to enrollment.

**Campus Response**

We concur.

a. Effective immediately, we will require every student to sign an attendance sheet at the pre-enrollment orientations.

b. Effective immediately, we will verify that all incoming international students provide proof of insurance prior to enrollment.
INTERNATIONAL STUDENT RECRUITERS

Administration of relationships with international student recruiters needed improvement.

We reviewed five agreements between international student recruiters and the ALI, and we found that:

- All of the agreements were signed by the ALI director, who did not have written delegation of authority from the campus president to do so.
- Two of the agreements had expired, but the campus continued to pay the recruiters for students who were referred and accepted.

EO 775, *Acquisition of Personal Property and Services*, dated June 6, 2001, delegates the authority to acquire personal property and services to the campus president or designees.

Integrated California State University Administrative Manual (ICSUAM) §5102, *Delegation to the Campus Presidents*, states that if campus presidents choose to further delegate their purchasing authority, campuses must maintain documentation of such delegation.

ICSUAM §5233, *Risk Allocation and Performance Assurance*, dated April 20, 2004, states that contracts should be formed to ensure the fair and reasonable allocation of risk and to assure satisfactory performance by the contractor, and that requirements for successful contract performance should be clearly defined within the contract documents.

The AVP for international education/dean of CCPE stated that at the time the recruiter agreements were initiated, the campus did not require a written delegation of authority, but instead allowed individuals with authority over the department to approve the agreements. The ALI director stated that the campus recognized the need to review and update recruiter agreements, but was waiting for guidance from the chancellor’s office regarding new requirements for approval of such agreements.

Inadequate administration and approval of agreements with recruiters increases the risk of misunderstandings and potential legal liabilities.

**Recommendation 3**

We recommend that the campus:

a. Ensure that future recruiting agreements are signed by only those individuals included in the campus delegation of authority for contract authorization.

b. Review the relationships with the recruiters operating under expired agreements, and renew the agreements if the relationships are to be maintained.
Campus Response

We concur.

a. Effectively immediately, and under the new CSU EO 1082, International Students, and EO 1080, International Agreements, all international agreements will be signed by the president.

b. Effectively immediately, and under the new CSU EO 1082, International Students, we will review current expired recruiter agreements for renewal and will maintain an inventory of such agreements with clear end dates for continuous monitoring.

Estimated date of completion is September 30, 2013.

STUDY-ABROAD AND EXCHANGE PROGRAMS

EXCHANGE PROGRAM ADMINISTRATION

Administration of international exchange programs needed improvement.

We reviewed five international exchange programs and found that:

- One exchange agreement did not clearly indicate tuition terms, nor did it define how comparable expenses were either met or waived by each party.
- For four programs, the exchange value-received reciprocity was out of balance for the period defined by the agreement.
- One exchange agreement was expired, but students continued to be exchanged.

EO 605, Delegation of Authority to Approve International Exchanges, Tuition Waivers for International Students, and Tuition Waivers for Nonresident U.S. Graduate Students, dated July 21, 1993, gives the campus president authority to initiate and conclude international student exchange agreements and waive non-resident tuition for exchange students as long as, among other requirements, the agreements provide that comparable expenses are met or waived.

Coded memorandum Academic Affairs (AA) 2011-1, Campus Compliance with Study Abroad Policy, dated January 11, 2011, states that campuses should maintain documentation and perform regular reviews of exchange reciprocity balances.

ICSUAM §5233, Risk Allocation and Performance Assurance, dated April 20, 2004, states that contracts should be formed to ensure the fair and reasonable allocation of risk and to assure satisfactory performance by the contractor, and that requirements for successful contract performance should be clearly defined within the contract documents.
The director of education abroad stated that the exchange agreement that did not indicate tuition terms was an older agreement and therefore did not follow the more recent template. She further stated that exchange agreements were not always updated in a timely manner because of the reliance on the third parties’ timely response. In addition, she stated that exchange balances were monitored, and although there may have been an imbalance for certain exchanges, the overall imbalance was in the campus’ favor.

Inadequate administration of agreements with exchange partners increases the risk of misunderstandings and potential legal liabilities, and inequality in value-received reciprocity with exchange partners undermines the intent of the agreements and results in a financial imbalance between partners.

**Recommendation 4**

We recommend that the campus:

a. Ensure that exchange program agreements clearly indicate tuition terms and define how comparable expenses are to be met or waived by each party.

b. Ensure that exchange value-received reciprocity balance is maintained.

c. Review the terms of the expired exchange agreement, and renew the agreement if the relationship is to be maintained.

**Campus Response**

We concur.

a. We have already begun using the newly approved exchange agreement template from the chancellor’s office, which clearly indicates tuition terms and expenditures.

b. We will monitor exchange balances with each partner to ensure the balances are maintained in accordance with the value-reciprocity agreed upon with the partner.

c. Effective immediately, and under the new CSU EO 1082, *International Students*, all expired exchange agreements will be reviewed and, if needed, renewed.

Estimated date of completion is September 30, 2013.

**STUDY-ABROAD PROGRAMS**

Short-term study-abroad programs were not always properly approved.

We reviewed seven short-term study-abroad trips and found that they had been approved by the college dean, vice provost, and associate vice president in accordance with campus policy, but that
the three individuals did not have written delegation of authority from the campus president to approve short-term study-abroad trips.

EO 745, *Self-Support Campus Based Study Abroad Programs*, dated June 7, 2000, states that the president of the campus or his/her designee may initiate self-supporting campus-based study-abroad programs.

Coded memorandum AA 2011-1, *Campus Compliance with Study Abroad Policy*, dated January 11, 2011, states that a written delegation of authority should be on file if someone other than the president is approving these programs.

The AVP of international education/dean of CCPE stated his belief that the short-term study-abroad programs were based on already approved existing academic courses and programs, and therefore did not require the approval of the campus president.

Inadequate approval of study-abroad programs increases the risk of misunderstandings and potential legal liabilities.

**Recommendation 5**

We recommend that the campus obtain proper approval for all study-abroad programs.

**Campus Response**

We concur. A written delegation of authority will be created that clearly indicates who has proper authority to approve these programs.

Estimated date of completion is September 30, 2013.

**STUDY-ABROAD STUDENT RECORDS**

The campus did not always maintain evidence showing that students participating in study-abroad programs met CSU requirements.

We reviewed 20 student files for five exchange programs and five faculty-led study-abroad programs, and we found that:

- The campus did not obtain documented evidence that students in the exchange programs obtained medical insurance valid in the host countries.
- The campus did not obtain documented evidence that students in the semester study-abroad program or the exchange programs obtained trip insurance for bodily injury or death.
- Seventeen student files did not contain evidence of student attendance at mandatory pre-departure orientation. Additionally, the campus could not provide evidence that required topics were covered in the orientation for short-term faculty-led study-abroad students.
Five student files did not contain a completed CSU Release of Liability, Promise Not to Sue, Assumption of Risk, and Agreement to Pay Claims form.

EO 998, *Study Abroad Programs*, dated January 25, 2007, states that students are required to carry medical insurance that will be valid in the host country(ies).

EO 1041, *California State Student Travel Policy*, dated July 1, 2009, states that students participating in CSU sponsored air travel shall be required to purchase life and personal injury insurance in amounts stipulated by the chancellor. It further states that all students participating in CSU-affiliated travel shall be required to acknowledge that they have been informed of the risks of travel and to sign a statement that they have been informed of and undertake such travel voluntarily with full knowledge of such risks, and release and hold harmless the state of California, the CSU, and the campus, among others.

EO 998, *Study Abroad Programs*, dated January 25, 2007, states that study-abroad programs must consider the health, safety, and security of students, staff, and faculty as a central feature of planning and operation. The policy further states that all CSU study-abroad programs must include a pre-departure orientation about the destination, including health, safety, security, legal exposures or political restrictions, financial information, and CSU or campus policies for study abroad.

Coded memorandum AA-2011-1, *Campus Compliance with Study Abroad Policy*, dated January 11, 2011, states that it is essential to have a system of administrative controls as part of program operation. It further states that one aspect of these controls is to maintain adequate documentation about the program and the participants and that these documents should be retained for three years.

The director of education abroad stated her belief that collection of certain documents from students at orientation was sufficient evidence of student attendance at orientation, and therefore separate attendance sheets were not required. She also stated that exchange students were generally required by the host institution to obtain insurance valid in the host country upon arrival, and she thought that advising the students of the requirement was sufficient. She further stated that failure to ensure that trip insurance was obtained was due to the campus’ interpretation of EO 1041. In addition, she stated that CSU Release of Liability, Promise Not to Sue, Assumption of Risk, and Agreement to Pay Claims forms could not be located because these trips occurred before the requirement to forward the forms to the campus risk manager was put in place, and therefore the documents were likely misplaced.

Lack of evidence that study-abroad students obtained student trip and medical insurance, completed appropriate liability waivers, and attended pre-departure orientation increases the risk to the health and safety of campus participants and increases potential legal liabilities, and inadequate maintenance of orientation materials increases the risk that important information will not be completely or consistently communicated to students.
Recommendation 6

We recommend that the campus:

a. Obtain documented evidence that exchange students purchased medical insurance valid in the host countries.

b. Obtain documented evidence that study-abroad and exchange students purchased trip insurance for bodily injury or death.

c. Maintain evidence showing that all students participating in study-abroad programs attended a pre-departure orientation and that required topics were covered in the faculty-led study-abroad program orientation.

d. Ensure that all study-abroad students complete the CSU Release of Liability, Promise Not to Sue, Assumption of Risk, and Agreement to Pay Claims form, and maintain the form in the students’ files.

Campus Response

We concur.

a. When country-specific medical insurance is required by the host institution, we will require that students provide evidence of purchase to document that the insurance requirement has been met.

b. We currently require all short-term study-abroad students to purchase trip insurance and will extend the requirement to exchange students.

c. We will ensure a sign-in sheet is used to record student attendance at the orientations.

d. We will maintain a copy of each form in the student files.

Estimated date of completion is September 30, 2013.

ADMINISTRATION OF THIRD-PARTY STUDY-ABROAD PROVIDERS

Administration of third-party providers for study-abroad programs needed improvement.

We found that the campus had not developed:

- Procedures for the review and approval of third-party study-abroad program providers. We reviewed six programs and found that none had been subject to the required due diligence.

- A list of approved third-party program providers that clearly stated the criteria used for approval.
EO 1022, *Study Abroad Through Non-CSU Program Providers*, dated September 24, 2007, states that the campus should have a process for approving study-abroad program providers and deciding whether to enter into an agreement with a program provider. It further states that before the campus enters into an agreement, it should consider the academic and curricular offerings; the student support services; the health, safety, and security preparedness undertaken by the program provider; and the cost to the student.

Coded memorandum AA 2007-25, *Third-Party Program Provider Study Abroad and Administrative Safeguards*, dated September 26, 2007, advises campuses to maintain a list of approved third-party-provided study-abroad programs that clearly states all criteria used in deciding to include those programs on the approved list. It further states that the criteria should include program offerings, student support services, program destination and curricular focus, and risk management issues.

The director of education abroad stated that the decision to work with study-abroad providers was carefully considered based on the criteria stated in EO 1022, but a formal review-and-approval process was not in place. She further stated that a policy statement on study abroad is currently making its way through the campus committee process and includes procedures for review and approval of third-party providers.

Lack of due diligence when choosing third-party study-abroad program providers increases the risk to the health and safety of campus participants and the risk of potential legal liabilities.

**Recommendation 7**

We recommend that the campus develop:

a. Procedures for the review and approval of third-party study-abroad program providers.

b. A list of approved third-party program providers that clearly states the criteria used for approval.

**Campus Response**

We concur. Under the new CSU EO 1081, *Study Abroad and Exchange Programs*, we have revised our campus process to implement these procedures.

Estimated date of completion is September 30, 2013.

**AGREEMENTS WITH THIRD-PARTY STUDY-ABROAD PROVIDERS**

Agreements with third-party study-abroad providers needed improvement.

We reviewed five affiliation agreements and one partnership agreement, and we found that:

- Although the agreements were signed by personnel from international education, none were approved by the president or his/her designee with a written delegation of authority.

- Four affiliation agreements did not include a sunset clause of five years or less.
Two agreements contained provisions prohibited by CSU policy, including the campus’ right to receive compensation for site visits and marketing efforts.

EO 1022, Study Abroad through Non-CSU Program Providers, dated September 24, 2007, states that the president of the campus, or his/her designee, is delegated the authority to enter into affiliation agreements with study-abroad program providers.

Coded memorandum AA 2007-25, Third-Party Program Provider Study Abroad and Administrative Safeguards, dated September 26, 2007, states that approval of third-party study-abroad provider programs and agreements should be signed by the president or a designee.

Coded memorandum AA 2011-1, Campus Compliance with Study Abroad Policy, dated January 11, 2011, states that the campus president is delegated authority to enter into agreements related to study abroad and exchange, and that if someone other than the president is to sign, a written delegation of authority should be on file. It further states that all agreements should have a “sunset” clause with a duration of no more than five years before review and renewal.

EO 1022, Study Abroad through Non-CSU Program Providers, dated September 24, 2007, states that in the course of cooperating with a program provider, neither a CSU campus nor any employee or agent of any CSU campus shall accept payments or other benefits in exchange for being an approved program. This includes, but is not necessarily limited to, the following: payment of conference or training registration fees, transportation, or lodging costs for an employee of the campus; fees for advertisements in official publications of the campus or international office that are designed to explain the students program options; or payment of site visit costs in conjunction with program oversight or program familiarization responsibilities.

Coded memorandum AA 2007-25, Third-Party Program Provider Study Abroad and Administrative Safeguards, dated September 26, 2007, states that no CSU campus, and no employee, or agent of any CSU, may solicit any program provider for financial or other benefits or services to the campus or its personnel; or accept any travel paid for by a third-party provider, specifically including travel to study-abroad program sites offered by current or prospective provider partners.

The AVP for international education/dean of CCPE stated that at the time the agreements were initiated, CPPE allowed individuals with authority over the department to approve the agreements and CPPE did not recognize this policy was inconsistent with the campus delegation of authority policy. He also stated that the agreements were templates used by the third-party provider, and although these templates included provisions offering certain benefits, the campus policy was consistent with the CSU policy in that no prohibited benefits could be accepted by the campus. He further stated that the sunset clause being a new requirement, it had not yet been implemented into the operations.

Affiliation agreements that are incomplete and not properly approved increase the risk of misunderstandings and potential legal liabilities.
Recommendation 8

We recommend that the campus ensure that agreements with third-party study-abroad providers:

a. Are properly approved.

b. Include a sunset clause of five years or less.

c. Do not include provisions that are prohibited by CSU policy, such as the campus’ right to receive compensation for site visits and marketing efforts.

Campus Response

We concur. Effective immediately, we will ensure approvals, sunset clauses, and prohibited provisions are clearly stated in all agreements.

Estimated date of completion is September 30, 2013.
## APPENDIX A: PERSONNEL CONTACTED

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
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<tbody>
<tr>
<td>Donald J. Para</td>
<td>Interim President</td>
</tr>
<tr>
<td>F. King Alexander</td>
<td>President (At time of review)</td>
</tr>
<tr>
<td>Tammy Guzman</td>
<td>International Student Advisor, International Student Services, College of Continuing and Professional Education (CCPE)</td>
</tr>
<tr>
<td>Michael R. Jones</td>
<td>Senior Director, Finance and Business Services, CCPE</td>
</tr>
<tr>
<td>Jeet Joshee</td>
<td>Associate Vice President for International Education/Dean of CCPE</td>
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<tr>
<td>Emiko Kawashima</td>
<td>Director, International Recruitment, CCPE</td>
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<td>Melissa K. Lyon</td>
<td>Director, International Student Services, CCPE</td>
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<tr>
<td>Kelly Martinez</td>
<td>Education Abroad Advisor, Center for International Education, CCPE</td>
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<td>Sharon L. Olson</td>
<td>Director, Education Abroad, CCPE</td>
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<tr>
<td>Jennifer Orem</td>
<td>Education Abroad Advisor, Center for International Education, CCPE</td>
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<td>Lynne Richmond</td>
<td>Director, American Language Institute, CCPE</td>
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<tr>
<td>Aysu Spruill</td>
<td>Director of Internal Audit/Information Security Officer</td>
</tr>
<tr>
<td>Mary Stephens</td>
<td>Vice President, Administration and Finance</td>
</tr>
<tr>
<td>Stephanie Williams</td>
<td>Risk Manager, Risk Management</td>
</tr>
</tbody>
</table>
August 28, 2013

Mr. Larry Mandel
University Auditor
California State University
401 Golden Shore
Long Beach, California 90802

Re: Response to International Programs Audit #13-19

Dear Larry:

Please find enclosed California State University, Long Beach’s response to the above report. The campus is committed to addressing and resolving the issues identified in the audit report.

Please let me know if we can provide you with any additional information.

Sincerely,

Mary Stephens
Vice President for Administration and Finance

Enclosure

IA-0320

c:  Donald J. Para, Interim President
    David Dowell, Interim Provost and Senior Vice President Academic Affairs
    Jeet Joshee, Dean, College of Continuing and Professional Education
    Tcd Kadowaki, Associate Vice President, Budget and University Services
    Aysu Spruill, Director, Internal Auditing Services and Campus Information Security Officer
INTERNATIONAL PROGRAMS
CALIFORNIA STATE UNIVERSITY,
LONG BEACH
Audit Report 13-19

GENERAL ENVIRONMENT

Recommendation 1

We recommend that the campus ensure that students enrolled in the ALI are accounted for in an emergency notification system.

Campus Response

We concur. The campus will work with University Police and Enrollment Services to devise an automated process to ensure ALI students are included in the emergency notification system.

Estimated date of completion is December 31, 2013.

INTERNATIONAL STUDENTS

INTERNATIONAL STUDENT VISA REQUIREMENTS

Recommendation 2

We recommend that the campus:

a. Maintain evidence showing that international students have attended a pre-enrollment orientation.
b. Ensure that students obtain required insurance prior to enrollment.

Campus Response

We concur.

a. Effective immediately, we will require every student to sign an attendance sheet at the pre-enrollment orientations.
b. Effective immediately, we will verify that all incoming international students provide proof of insurance prior to enrollment.

Estimated date of completion is September 30, 2013.
INTERNATIONAL STUDENT RECRUITERS

Recommendation 3

We recommend that the campus:

a. Ensure that future recruiting agreements are signed by only those individuals included in the campus delegation of authority for contract authorization.

b. Review the relationships with the recruiters operating under expired agreements, and renew the agreements if the relationships are to be maintained.

Campus Response

We concur.

a. Effectively immediately, and under the new CSU EO 1082, International Students, and EO 1080, International Agreements, all international agreements will be signed by the president.

b. Effectively immediately, and under the new CSU EO 1082, International Students, we will review current expired recruiter agreements for renewal and will maintain an inventory of such agreements with clear end dates for continuous monitoring.

Estimated date of completion is September 30, 2013.

STUDY-ABROAD AND EXCHANGE PROGRAMS

EXCHANGE PROGRAM ADMINISTRATION

Recommendation 4

We recommend that the campus:

a. Ensure that exchange program agreements clearly indicate tuition terms and define how comparable expenses are to be met or waived by each party.

b. Ensure that exchange value-received reciprocity balance is maintained.

c. Review the terms of the expired exchange agreement, and renew the agreement if the relationship is to be maintained.

Campus Response

We concur.

a. We have already begun using the newly approved exchange agreement template from the chancellor’s office, which clearly indicates tuition terms and expenditures.
b. We will monitor exchange balances with each partner to ensure the balances are maintained in accordance with the value-reciprocity agreed upon with the partner.

c. Effective immediately, and under the new CSU EO 1082, *International Students*, all expired exchange agreements will be reviewed and, if needed, renewed.

Estimated date of completion is September 30, 2013.

**STUDY-ABROAD PROGRAMS**

**Recommendation 5**

We recommend that the campus obtain proper approval for all study-abroad programs.

**Campus Response**

We concur. A written delegation of authority will be created that clearly indicates who has proper authority to approve these programs.

Estimated date of completion is September 30, 2013.

**STUDY-ABROAD STUDENT RECORDS**

**Recommendation 6**

We recommend that the campus:

a. Obtain documented evidence that exchange students purchased medical insurance valid in the host countries.

b. Obtain documented evidence that study-abroad and exchange students purchased trip insurance for bodily injury or death.

c. Maintain evidence showing that all students participating in study-abroad programs attended a pre-departure orientation and that required topics were covered in the faculty-led study-abroad program orientation.

d. Ensure that all study-abroad students complete the CSU Release of Liability, Promise Not to Sue, Assumption of Risk, and Agreement to Pay Claims form, and maintain the form in the students' files.

**Campus Response**

We concur.

a. When country-specific medical insurance is required by the host institution, we will require that students provide evidence of purchase to document insurance requirement has been met.
b. We currently require all short-term study-abroad students to purchase trip insurance and will extend the requirement to exchange students.

c. We will ensure a sign in sheet is used to record student attendance at the orientations.

d. We will maintain a copy of each form in the student files.

Estimated date of completion is September 30, 2013.

ADMINISTRATION OF STUDY-ABROAD THIRD-PARTY PROVIDERS

Recommendation 7

We recommend that the campus develop:

a. Procedures for the review and approval of third-party study-abroad program providers.

b. A list of approved third-party program providers that clearly states the criteria used for approval.

Campus Response

We concur. Under the new CSU EO 1081, Study Abroad and Exchange Programs, we have revised our campus process to implement these procedures.

Estimated date of completion is September 30, 2013.

AGREEMENTS WITH THIRD-PARTY STUDY-ABROAD PROVIDERS

Recommendation 8

We recommend that the campus ensure that agreements with third-party study-abroad providers:

a. Are properly approved.

b. Include a sunset clause of five years or less.

c. Do not include provisions that are prohibited by CSU policy, such as the campus’ right to receive compensation for site visits and marketing efforts.

Campus Response

We concur. Effective immediately, we will ensure approvals, sunset clauses, and prohibited provisions are clearly stated in all agreements.

Estimated date of completion is September 30, 2013.
September 13, 2013

MEMORANDUM

TO: Mr. Larry Mandel
   University Auditor

FROM: Timothy P. White
      Chancellor

SUBJECT: Draft Final Report 13-19 on International Programs,
         California State University, Long Beach

In response to your memorandum of September 13, 2013, I accept the response
as submitted with the draft final report on International Programs, California
State University, Long Beach.

TPW/amd